

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE MOTION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR AN ORDER)	
REQUIRING THE COMMISSION TO)	
EXTEND THE SURCHARGE ADDED TO)	CASE NO. 9225
THE RATES AND CHARGES OF PHELPS)	
GAS COMPANY)	

O R D E R

On November 30, 1982, the Commission ordered Phelps Gas Company ("Phelps") to collect from its ratepayers a surcharge of \$2 per month plus an additional charge of \$.51 per Mcf for a period not to exceed 24 months or until total revenues, including accrued interest at 7 percent per annum, of \$44,890 are collected. Amounts collected under this surcharge were to be applied by Phelps to the settlement of the debt owed to Columbia Gas of Kentucky, Inc. ("Columbia").

On November 20, 1984, Columbia filed a motion with the Commission for an extension of the surcharge added to the rates and charges of Phelps for 5 months. A hearing was held on this matter on January 15, 1985. At the hearing Columbia revised its motion to request an extension of 8 months instead of 5 on the arrearage balance in December, 1984, of \$8,831.¹ The basis for the revision was that most of the winter heating season would have passed before Phelps could implement any approved surcharge extension.

¹ Transcript of Evidence, January 15, 1985, page 7.

At the hearing, William Howard, Phelps' attorney, stated that the full amount of surcharge revenues collected to date had been applied to the principal amount of the debt owed to Columbia and that all interest on the principal balance had been paid by Phelps out-of-pocket in an effort to evidence its good faith and to comply with the Commission's Orders.²

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

1. Columbia is entitled to collect revenues sufficient to eliminate arrearages of \$8,831 owed to it by Phelps. The request by Columbia for the extension of the surcharge of \$2 per month plus an additional charge of \$.51 per Mcf added to the rates and charges of Phelps for 8 months should be approved and should be applied to the billings for the period from February, 1985, through September, 1985. However, if Phelps is able to balance its account with Columbia at an earlier date, the billing of the surcharge should cease immediately.

2. Columbia should file with the Commission a statement of payments made by Phelps at the end of September, 1985, or the date at which Phelps is able to balance its account with Columbia if earlier than September 30, 1985. Any amount over \$8,831 shall be due and refundable to the customers of Phelps.

IT IS THEREFORE ORDERED that Columbia's request for an extension of the surcharge of \$2 per month plus an additional charge of \$.51 per Mcf added to the rates and charges of Phelps

² Ibid., page 14.

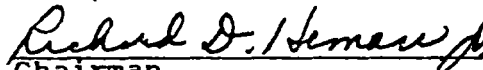
for 8 months is hereby approved for the period from February, 1985, through the end of September, 1985, unless Phelps is able to balance its account with Columbia at an earlier date, in which event the billing of the surcharge should cease immediately.


IT IS FURTHER ORDERED that Columbia shall file with the Commission a statement of payments made by Phelps at the end of September, 1985, or the date at which Phelps is able to balance its account with Columbia if earlier than September 30, 1985. Any amount over \$8,831 shall be due and refundable to the customers of Phelps.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Phelps shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of February, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9225 DATED 2/14/85

The following rates and charges are prescribed for the customers served by Phelps Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect prior to this Order.

RATES: Monthly

First 1 Mcf	\$8.48 Minimum Bill
Over 1 Mcf	6.18 Per Mcf

There shall be a surcharge in the amount of \$2 per month plus an additional \$.51 per Mcf added to the rates and charges applied to billings for the period from February, 1985, through September, 1985, unless Phelps is able to balance its account with Columbia at an earlier date, in which event the billing of the surcharge should cease immediately.